General Discussion on the Budget.

Mr. A. Eachara Menon.—Sir, I have to congratulate the Government on its being able to present a surplus budget. It is only when we consider how this was brought about that we find that it was by the imposition of a new tax, by effecting a salary cut, by starving the nation-building departments and without providing for any productive works except the attempt made to open the Northern channel in the Mulathara Anicut,—works which militate against the well-being and prosperity of the public. It is not desirable in this strain to enter into any criticism of the budget in this year of financial stringency. Suffice it to say that imagination had no part in the making of it.

Coming to the revenue, during the last budget discussion I had brought to the notice of the Government that a very big amount was supposed to be realised under Capital in the Revenue Demand, and I had also informed that it was not possible. But the Revenue Member thought otherwise and said that demands for lands were pouring in. He has proved a false prophet. But it is gratifying to note from the budget that he has begun to read the signs of the times. It has been said many a time and partially admitted by the Government that the village establishment was over-staffed. The Special Finance Committee had strongly advocated it. It is a pity that the Revenue Member did not suggest to the Government at these stringent times the reduction of the staff. In the matter of search fees in the case of agricultural loans, it is only legitimate that such of them whose applications are accepted by the Government, should be asked to contribute the actual expense towards it. The Government has not yet selected one from the Department to be promoted to the Peishkar's place. It was the want of experienced hands in the Department that made the Government to recall the present incumbent.

Agriculture.—I do not question the necessity of a Central Farm, but I would strictly enjoin that the amounts spent upon it should be commensurate with the benefits accrued therefrom to the public. I mean not of the benefits the high class people get by way of graft mangoes and pine apples, etc. There has absolutely been no sort of benefit derived by the Agricultural class by the establishment of that Central Farm. The idea of Taluk Farms has been given up by the Government. It was in the last budget. It is omitted in this budget. In this connection, I wish to recall to the mind of the Government that although there was a clerk proposed to the thought of Taluk Farm, we find the clerk appointed in 1107 and paid for, even though the Farm was not esta-

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blished before any necessity was felt. It is such kind of things that the Government should take note of, and bring those who are responsible for it to pay for it. Whatever be the financial stringency, there is no justice in not being liberal to the Department. The Veterinary help is not sufficient. I may suggest in this connection for the consideration of the Government the feasibility of starting Rural Veterinary Dispensaries like the Dispensaries for human beings.

Coming to the Panchayats, there is scarcely any work for the Panchayats as will be seen from the Budget for these Panchayats. There are six Panchayats in the Chittur Taluk and these 6 Panchayats are given about 8,000 rupees i.e., about 1,300 rupees for each Panchayat. They have conservancy, irrigation and roads to look after. How they are going to meet all this expenditure with this small money, the Government must explain. As a result of the Finance Committee's meeting Government had been pleased to allow 25,000 rupees again. Even though the Panchayats of Chittur had only very small sums allotted to them, the Registrar of Panchayats did not think it worth while to consider the case of these Panchayats.

Dr. A. G. Menon.—Not a single pie Sir, to Chittur Taluk. Not a pie, Sir.

Mr. A. Eachara Menon.—Not only that. It may be seen from the Budget that about 2 lakhs and a half are allotted for the Panchayats and there are as many Panchayats as there are villages.

Co-operation.—There seems to be an idea in the mind of the Government that the work of co-operation did not extend for want of officers. There is a proposal for increase of staff. I do not think there is any necessity for any increment. The only thing necessary is, that the Department requires some more spirit put into it. No work is seen regularly done by the officers now in existence.

Stamps.—In spite of the repeated requests of the members of this House and in spite of the considered opinion of the Finance Committee, the Government have not thought fit to make stamps and stamp papers locally. The Government thought that it would be a loss to the Government if they made the stamps and stamp papers locally, as may be seen from the Report of the Standing Finance Committee. The Special Finance Committee had shown that it would be a great gain to the Government if stamps and stamp papers were manufactured here. They think that 10 thousand rupees will produce the stamps and stamp papers for which the Government are now spending more than 30 thousand rupees, which really is a great loss. I do not know

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how the Government was able to say it was a loss. Travancore and Mysore make their own stamps.

General Administration.—The politics of the State now centres round the distribution of the loaves and fishes of office. It is always said that this community or that community has been favoured. I wish to bring to the notice of the Government that my Taluk is very very thinly represented. I do not care whether the persons appointed from my Taluk be all Christians, all Hindus or all Muhammedans. The only thing is, that a large sum of money is taken away from us and we get nothing in return.

Law and Justice.—Chittur is far away from the Capital of the State. It is only in the justice of things that it is high time that the Government considered the feasibility of having a sub-court instead of a Munsiff's Court in Chittur. The objection was that in that case the Act would have to be amended. It is not a very difficult task. It can be accomplished in no time. It would thus avoid the necessity of three of these additional courts. The inordinate expense the Chittur litigant public will have to incur will be much lessened.

Education.—We have not yet been informed of the results of the Educational survey undertaken last year. Whatever be the result one thing is certain, that the Government must have come to understand by now that many of the Schools are started as a commercial concern. Unconscionably liberal grants paid by the Government to these aided schools must now be stopped. We have progressed a good deal in the matter of education to the envy of our neighbours. The spoon feeding can now be given up.

Medical.—The Government will have now taken stock of the benefits of the medical inspection of the schools. The present mode of inspection consists in the Doctor going to the schools, examining the boys or the girls, as the case may be, and giving a card detailing the ailments. After that nobody is there to look to what these cards are made use of. If you only consider how many working days are there in the School Department in a year, and how many schools are there under one Doctor and how many days he spends for lecturing—the Government have prescribed twelve lectures on first aid to each school—you will come to the conclusion that it is all a *tamasha* and such *tamasha* should not be had at the expense of the State treasury. The other Governments have also been trying this method and they have come to the conclusion that unless they are ready to have a Doctor attached to each school, this method could be of no use. This was once tried during the time of Dr. Coombes

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here also and was given up as useless. The local Doctors doing the work in the several schools, did better. There is a suggestion going on in British that it would be better if a Doctor is attached to each locality so that that Doctor may give lessons in special subjects, such as Physiology and Botany which are subjects to be taught in the schools, apart from the work that is now being done by the Inspector.

Sanitation and Conservancy.—The Government have been telling that they tried their level best to reduce as much as possible the expenses so that the Budget may be a surplus one. At this time of stringency I do not even think that it has been the decided opinion of this House that the Sanitary Department should be separated from the Medical Department this year, so as to make the Government budget for a lakh and odd for this purpose. Whatever it be, if the Government have such an idea to have it this year, I wish to speak a few words in connection with the Panchayats and Medical. Sir, what are the duties of the Panchayats? It has sanitation, it has a little of irrigation and some road work. From the Standing Finance Committee meeting report it is seen that the Government have an idea to appoint an Assistant Engineer for the Panchayats. If the sanitation will be done by the Sanitary Officer, the road work by the Assistant Engineer, then what is the necessity for a Panchayat Superintendent? The Government would do well to consider that all the works now done by the Panchayats will be done by its Engineer and Sanitary Officer. Further in the Medical Department I find every year a clerk is being added to its staff. Last year there was a clerk, this year also a proposal is being made for the addition of a clerk. The Sanitary Department has been taken away from it and perhaps the taking away of the Sanitary Department from the Chief Medical Officer might have disturbed his equilibrium. To make it alright, why should he have a clerk? It is something that he should himself do. The clerks would have never felt the shock. If at all, it must have been the Chief Medical Officer. The staff now budgetted for, for the Sanitary Department, I think, is also very large.

Public Works Department.—The contribution of 61,400 rupees from the Government of India Road Fund created from the increased duty on Petrol is proposed to be utilised only for works Nos. 10, 17 and 23. There was an allotment last year for a road to the Kunagatupady anicut. That was not taken up. There is a road taken up, item No. 20, a blind road in preference to that, and why, because the Overseer has an estate by the proposed road side. No. 21 is a road. Why is it? Since there

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is a road from 12/2 where is the necessity for a road from 11/6? With regard to the bridge over the Korayar, only the embankments are partly finished and about 20,000 rupees have been expended. There is no provision in the Budget for its completion. About 40,000 rupees have been spent for the improvement of the Mulathara Anicut system. About 4 furlongs are yet to be graded, say, at the cost of about 7,000 rupees, to get the full benefit of the 40,000 rupees already spent on it. There is nothing budgetted for the next year. While lakhs and lakhs are spent elsewhere, the Government could not find the small sum to complete the works already taken in Chittur. It simply shows how far away Chittur is considered by the Government. I had occasion to remark seeing the apathy of the Government in matters relating to Chittur on a former occasion that Chittur is considered the Cinderella of the State. This attitude of the Government towards Chittur emboldens me to say that the Government cares only for the crying child, nay for the vociferous child, humble meek children are left uncared for. This is not just. It is unnatural. The present Government has not the experience of parenthood. (*laughter*).

I have to congratulate the Government in having found out at least now that the Economic Development Committee has been of no use to us.

Sir, we are greatly indebted to you for the bold stand you made in defending the cause of this State. You took great care not to bind your successors with your commitments, and great pains to represent the cause of His Highness, during the Harbour Conference regarding the jurisdiction question. We are aware of the British mentality and it was that knowledge which made me sound a note of warning during the last Budget discussion to be ready in time. Ordinarily the ways of the paramount Government are extra-ordinary. We will not be surprised if the Government gets an advice—a peremptory advice from the India Government to conform to the decision arrived at by the Madras Government. If it comes to pass, and if you agree to it, since the Madras Government have circularised that no appointment should be given to States' subjects when a British subject can be had for it, I implore you, Sir, that conditions may be incorporated in the agreement that the major portion of the appointments if not all, should be given to Cochinites if qualified men are available. What a travesty of fate it is that in an institution in front of our very doors brought into being by our own mercy, we are only to have the crumps that slipped from the hands of British subjects? While we were in the throes of this discomfiture there comes the Davidson Cammittee report. It suggests that

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the Federal Government should purchase the Harbour area at once. I do not contend the logical conclusion they have come to. But what is Cochin if the Harbour is taken away from her? Considering the enormity of the loss Cochin will have to suffer we must fight it out, tooth and nail. It will be a struggle between life and death for the State. If unfortunately we do not succeed, if we have to secede the area, which God forbid, the next course left for us is to try and benefit by other means as far as possible. There was a story current at the time of the retirement of His Highness Sree Rama Varmha G. C. S. I., G. C. I. E., that when the authorities told His Highness that they were prepared to exchange Palghat or Ponnani Taluk for Mattancheri His Highness was reported to have said that all Madras Presidency would not suffice for it. There seems to be some substratum of truth in the story. The possibilities of the Harbour are immense. It cannot be appraised now. So whatever you do now must be tentative. If you fix a price now for all time to come you will be a great loser. If you fix a price considering the probabilities the other party would not endure. Therefore to be equitable, the course open to you is to fix a price now, say for 12 years, on the present proceeds and re-fix it after that on the income you then derive and thus go on *ad infinitum*. This will give us some consolation. What is Cochin in this vast continent of India, but a speck and its Government by aping the ways of the British bureaucracy have unmanned its subjects? Do not care for stringent times for the present. Reconnoitre all your resources and see that we are not lost in the race.

Sir, kindly convey the felicitations of my constituents and myself to His Highness. *May God grant His Highness long life.*!

Mr. A. Sankara Poduval.—Mr. President, Sir, before I make a few observations in my individual capacity and not on behalf of my Party, let me with the indulgence of the House pay our humble homage to His Gracious Highness, the popular Maharaja, who has been pleased to receive in person an address from his people and who has been kind enough to usher in reforms which will tend to increase and strengthen our constitutional privileges in this Council. Let me also take this opportunity of congratulating our constitutional Diwan, under whose sway as the Head of the Executive, we hope that this Council may be able to progress on constitutional lines still further. Let me next offer my hearty congratulations to the Finance Member on his admirable speech explaining the Budget and

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also upon the plain matter of fact Budget which he has presented to the House. We sadly miss this year the presence of our lately retired Comptroller of Accounts, a dexterous juggler in figures, a gentleman who was holding out his hand of co-operation to non-official Members of this House and whose budget speeches bubbled with optimism both real and feigned. But as far as the present preliminary budget is concerned, I am struck with the brutal frankness of it, with the plain business-like way in which it has been presented to this House. To adopt a familiar quotation from Ingersoll, I consider 'an honest budget the noblest' work of a financial member. It is no use camouflaging facts and figures. We want the presentation of actual facts and figures. From that standpoint the present budget is singularly unlike the previous budgets presented to this House. It is clear from beginning to end. It is a plain statement of the financial position of the Cochin State just as we enter upon the threshold of the administration of the year 1108 and it seems to be rather unfortunate that the Finance Member just entering upon his duties should have been confronted with these difficulties referred to in the closing peroration of his speech. That peroration was of course in the nature of sugar-coating the pill administered to us. My sympathies go with him. But I do not know, after all, if the situation is so acute as he seems to think. Now in regard to this trident possessing three sharp points, the loan for the Harbour and Railways, the Salary Cut and the Income-tax, I hope I shall be able to show in the course of a few minutes that these need not be very serious obstacles to carry on normal works in the year 1108. Then going by the figures in this preliminary budget it does not seem to be after all much affected by the general depression. On the other hand, except in Land Revenue, Forest and Tramway, Stationery and Printing, and in the matter of Interest and one or two small items, there is no deficit at all in regard to ordinary receipts. With regard to Land Revenue proper, I do not think it fair on the part of the Government to budget for a deficit, because if the shifting of the Valas from Thusam is going to be accomplished this year Government will be getting an amount Rs. 80,000 from the lands which will be assigned to the Burmah Shell Co., so that the receipt under Land Revenue is going to be Rs. 12,98,000 and not Rs. 12,18,000 thereby showing a substantial increase. In the Excise Department all the three heads put together, we get a plentiful harvest, although it is very sad to note that in carrying on a progressive administration, we have largely to depend upon the resources of the Excise Department.

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Now, decrease in the consumption of salt, increase in the consumption of liquor, decrease in the purchase of stamps, etc.—these to my mind unequivocally show the increasing poverty of the people. Poverty drives a man to drink so as to drown his misery. And he gradually contracts this habit, from which there is no redemption. So that we move in vicious circles and although it is not a matter peculiar to the administration of Cochin, the dependence of modern Governments upon the Excise Revenue to carry on their administration, is a very sad feature of their budgets. Passing on, to Forests and Tramway I suspect the integrity or at any rate the reality of the figures shown here. Times are not so bad, to my personal knowledge, in regard to the price of timber as it was ten or twelve months ago. So that with a proper administration of the Forest Department it seems to me that it would be possible to realise a still larger amount. In regard to the Tramway, the Tramway has been a bug-bear for long. I had occasion to point out along with the then Member for Chalakkudi (Mr. C. A. Ouseph) that the Tramway was meant to serve a special purpose. That purpose has long ago been served out. It is high time to scrape it. And I have referred to various observations made by Diwan Sir W. Bhore, to the effect that the Tramway should have been wound up long long ago. Now we are continuing the Tramway, for no useful purpose. Why spend Rs. 81,000 to realise Rs. 89,000. The Tramway yields Rs. 89,700, and the expenditure is Rs. 81,600. It is no use maintaining the Tramway at all. I endeavoured to show in the second or third year of the First Council, that if these hard-worked officers of the Tramway Department and the Forest Department, were given a holiday for a full year, Government would have saved over a lakh of rupees paying them all their salaries in their homes. Matters have not improved since then. The Tramway has been our white elephant. It is no use to maintain the Tramway and there is this fundamental mistake committed by the Government, that we are inviting upon our heads the curse of posterity. Out of 1,400 and odd square miles making up the Cochin State, over 500 square miles consist of forests. And we are denuding our forests, our forests which used to preserve us from famine, which used to be our gold mine, these forests have mostly been denuded and cut clean. They are not dangerous things to be destroyed. We invite upon our heads the curse of posterity in administering the forests in this ruthless manner. Afforestation has not been going on in proportion to the denudation effected. Rs. 2,000 a year, Rs. 3,000 a year, is what is ordinarily seen spent for afforestation. If,

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really, the Forest Department could not be run at a substantial profit, on right principles, then retrenchment in that department is the only remedy. It is no use continuing the department—and trying to realise whatever we could get by cutting the trees. Forest revenue is not only from forest timber; teak trees used to be felled from private lands even in towns, and their value too swelled the forest revenue. I find lack of supervision, lack of forethought, in the management of the Forest Department and also in the management of the Tramway Department.

In regard to the decrease in interest, etc., that is a larger question dependent upon our necessity to withdraw between 20 to 30 lakhs of rupees out of our investments. I shall deal with that question later on.

First of all let me deal with the three obstacles which appear to have confronted the Member for Finance. First the Harbour and the Railway. How do we stand in regard to the Harbour and the Railway? The people of Cochin are profoundly thankful to our present Diwan for having presented a very able statement before the States Subjects' Enquiry Committee. Parenthetically, I would submit to this House, that, the statement would have been ampler and fuller, if the Diwan had been pleased to take the people still more into confidence before he drafted it. We find from the recommendations of the States Subjects' Enquiry Committee, as published in the papers, that they recommended that the subsidy may be done away with. They further recommend—and that recommendation gives a lot of perturbation in my mind—that in the view of the Committee "negotiations should be begun for the purchase of the rights of Travancore and Cochin in Cochin Port and that steps should be taken to adjust the difficulties which arise from the present divided ownership and jurisdiction of the Port." This certainly is the unkindest cut of all. If we are to be deprived of the possibilities of working the Harbour, if Cochin is to be deprived of the potentialities of the Cochin Harbour, it would have been better in the interest of the State for the Government of Great Britain to have enacted that Cochin shall cease to be a Native State. Our agricultural income has practically reached the top limit. Our lands have reached the stage of diminishing returns. Hitherto the income from agriculture has been, next to the Excise, one of the mainstays of the revenues of the State. It is not easy now to carry on agriculture with profit. Cochinites naturally expect that deficit in income from land and agriculture, could be made up by the proceeds of trade, and commerce rendered possible by the Harbour and the Railway. If that facility is going to be denied to us I

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don't know why we should raise debenture loans for the development of the Harbour. The Finance Member's speech shows that about, 26 lakhs may be at once devoted for this purpose. That is not the spirit in which we should approach the question. The entire sum may be borrowed by debentures or otherwise, and then we should be asked to contribute only our portion of it. Whatever is available as liquid savings should not be used for this purpose. Similarly in regard to the Railways also I insist, that the entire amount borrowed has to be apportioned and each year's budget provide only a duly proportionate share. Why divert all this money, 26 to 30 lakhs, whatever is available as liquid capital all at once for this purpose? It is a wrong financial policy to pursue. I desire to bring to the notice of the House one or two facts more. When Mr. Banerji conceived this idea of a Harbour, he made us distinctly understand that during the final stages of the Harbour work a special officer thoroughly independent of the other two partners should be appointed, by our Government, because no civil engineer devoid of experience in Harbour construction could ordinarily tackle with this difficult problem. We want an engineer with marine experience with experience of Ports, absolutely independent of the other sharers concerned to look after our interests. Otherwise we might make mistakes and little mistakes made might cause great loss to us for generations to come. I am not breaking any confidence when I say that Mr. Banerji told me once that however high the salary may be which we shall have to pay to that special officer, even five thousand rupees a month, it will be in the interests of the State, it will be no loss. I find in the budget, that office not filled up. Now, again I wish also to point out that much money is now being frittered away both in the Harbour and Railway works. I am not privileged to divulge the knowledge that I am in possession of, but I have been assured and I speak with confidence that if capable persons were appointed to supervise the expenditure both in regard to the Harbour and the Railway the State will be in a position to make considerable savings.. (*Hear, hear*).

Lastly upon the question of Harbour and Railway, I desire particularly to emphasise that the non-employment of any of our competent citizens either in the Railway or in the Harbour, is a matter specially to be taken note of. I know that the present Diwan has made some endeavours in that direction without any appreciable results. I invite the Government's attention to this matter and urge upon Government that the attempt should be persisted in. All legitimate efforts should be made in securing employment to our men, competent men, both in the Railway

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and in the Harbour. The advantages are obvious. These people get work, and not only that, when some of our men are there they will be in a position to understand the ins and outs of things.

Then in regard to the salary cut, a few observations are necessary. I find the Government have even gone ahead of our recommendations. We suggested that there may be salary cuts from Rs. 100 and upwards. Now we see from the speech of the Finance Member that the proposed salary cut begins from Rs. 40. I know if the salary cut is from Rs. 100 and upwards, the budgetted amount would probably be reduced by a half. I say that this is no consideration whatever. Officers who draw small salaries of Rs. 40 to Rs. 100 would be put to very great hardship if their salary be thus cut. Not that others would accept it cheerfully, in the spirit in which it is offered in the budget speech. Apart from that, I emphasise the great distress that the cut would subject these people drawing Rs. 40 to 100. We might lose on account of not inflicting a cut on salaries of Rs. 40—100, Rs. 40,000 or even half a lakh. I think that it could be easily adjusted, by adopting the view that I propose to suggest in regard to the modification of the budget. One fact however I have to bring to your notice. Curiously enough, it has so transpired, that the combined effect of the income-tax and the salary cut is to favour persons drawing higher salaries. (*hear, hear*). Because what we find is this. The income-tax when worked out in regard to officers having an income of Rs. 1,000 to Rs. 2,000, works at 1 9/16 per cent.

2,000 to 5,000 at 3⅛ per cent
5,000 to 10,000 at 4 11/16 per cent
10,000 to 20,000 at 6¼ per cent
20,000 to 30,000 at 7 13/16 per cent

Now, in effecting a salary cut of 10 per cent. officers drawing between Rs. 10,000 and 20,000 get 6¼ per cent clean off. From ten per cent we deduct 6¼ per cent leaving 3¾ per cent. Therefore, the higher the salary the more advantageous is the salary cut to those officers. That is a calamity which has to be averted. And it is freely discussed in the streets that the combined effect of the salary cut and the income-tax is an anomaly.

I pass on to the other question, the income-tax. Is it after all necessary, that we should be so expeditious in regard to this matter? In the few observations that I made on the motion for the introduction of the Income-tax Bill, I said there was nor necessity to rush through this measure. Let the Bill take its ordinary course. What do we find? The Finance Member

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says that without 2 lakhs of rupees we shall have a deficit budget. First of all let me assure this House once more that we people here are not afraid of well schemed deficit budgets. Deficit budgets brought about by useful undertakings are quite as welcome as surplus budgets. There is I think a fundamental mistake, in the preparation of this budget. It has to be remembered that we are not budgetting as the Provincial Governments do in British India. If the ordinary actual receipts of a year exceed the ordinary expenditure in a Province, say like Madras or Bombay, the excess lapses to the Imperial Governmentand that amount is distributed according to the discretion of the Imperial Government, next year. It is akin to allotments to Panchayats here. That is not so in regard to the Cochin Budget. What I want to emphasise is that the surplus of last year is an asset for this year. Now strictly speaking, to add the surplus of last year to the net savings of the State without the sanction of the House is to my humble thinking, not proper. We start with the budget, from this point. The transactions of the year, as once stated are expected to result in a net surplus of 18 lakhs and the year is anticipated to close with a net surplus of one lakh. We find that Rs. 30,99,040, we will put it as 31 lakhs, in round figures of Customs revenue, is made up of, in round figures, 17½ lakhs for 1106, and 13½ lakhs for 1107. Now, giving credit only for this expected income from Customs for the year 1107, the balance left, after the transactions of the year are over, should be treated as available assets for the year 1108. So that you must begin with bringing forward this amount out of the net savings of last year. We do not find that done in the budget. If we go by that basis, in spite of the fact that we entirely leave off both the 2 lakhs, from the income-tax and amount of the salary cut, we still have a surdlus budget. Now, the Finance Member himself stated that he was making provisions for a rainy day. Why should not Government take our consent to add this on to the net savings? I therefore want to impress upon this House my position that the net surplus of last year should be the first item of the assets for carrying on the administration of 1108. Upon that basis there is no necessity for expediting the Income-tax Regulation. There is no necessity for effecting any salary cut either. I leave it to Government to decide whether it would be advisable to effect the salary cut upon incomes above Rs. 100. That is how the matter stands. This fundamental principle if it be appreciated and accepted, would save a lot of worry. Now, again, I want to draw your attention to a few more facts.

Now, in regard to the loans. Suppose we borrow.

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We don't want to budget for a Sinking Fund in 1108 itself. We may not be able to raise fully Rs. 75 lakhs next year. If some amount has to be raised, then a proportionate amount of interest alone will have to be budgetted for. Rs. 37,500 need not all be provided in the budget. Secondly, if the income-tax is not going to come into force in 1108, Rs. 6,000 budgetted for expenditure must also go. That is a minor matter. Apart from this we have got huge savings otherwise available. Both in the Panchayat and D. P. W. the possible tender deductions have not been taken into account. I find in the printed proceedings of the Standing Finance Committee, that those tender deductions would be utilised for useful purposes. I perfectly agree with the principle. But I may add that inasmuch as Government expects financial stringency, whatever is obtained from the tender deductions in the Panchayat works may be utilised for carrying on urgent works in the Panchayat Department. Similarly whatever is available in the D. P. W. may be utilised for urgent works in the D. P. W. Probably the tender deductions may be roughly amount to 1 lakh, according to the present state of the market, and conditions in Cochin. I find the Diwan making a suggestion at the Standing Finance Committee that the construction of one of the Palaces budgetted for may be put off to 1109, and this will also bring in a saving of Rs. 25,000. Now the figures are these. If the salary cut is to be given effect to, expenditure comes to Rs. 81,82,000 and receipts, without the 2 lakhs from income-tax of Rs. 81,62,900. The difference is only Rs. 20,000. This sum Rs. 20,000 can be easily made up. I can give half a dozen instances by which this adjustment could be effected. With regard to the Valans I am told that those people do not want to avail themselves of the proposed indulgence shown in their favour. If the huts at Pachalam are not to be constructed this year, it will effect a saving of Rs. 20,000. On the other hand, we get Rs. 80,000 from the Burmah Oil Company by assigning lands to them if the Valans be evicted. Again, in regard to some of the other items also considerable savings could be effected. The Diwan, I dare say, would be magnanimous enough to say that out of the Rs. 43,000 for the completion of his bungalow budgetted for 1108, Rs. 20,000 may lie over to the year 1109. Some of the original works, (in P. W. D. buildings) might be convenie ntly put off, to balance the budget. Last year, we budgetted for the surplus of half a lakh alone. Why should we budget for more this year? I desire to emphasise the point, that the difficulties tpresented to the House by the Finance Member are unreal and that we can carry on the administration sufficiently progressively

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even in 1108, without the extra burdens referred to in the Finance Member's speech.

One or two words more. I said, that this budget, with an ambitious scheme has omitted to make mention of some important lines, on which we have to progress. In answer to question 451 in the first Legislative Session, 13th Kumbham 1107, the Diwan Peishkar said "Orders have been issued for making provision in the budget estimate of 1108 for the organisation of the department if possible from the beginning of the year." Now, I don't find anything of the kind proposed in the budget of 1108, and I say that is a matter upon which special attention of the Durbar has to be directed. Our hope lies in the opening of departments of commerce, industry and trade, and the prospects of developing that department, are considerable in view of the completion of the Harbour and in view of the Broad Gauge Railway extension. In Travancore, we find considerable impetus given in this direction. Now, so far as we are concerned, there has been no accurate economic and industrial census in the State at all. We have not got any officer corresponding to the consuls of other States to give us information in regard to the foreign trade. Middle men knock off most of our profits. We have no trade statistics. We find that the Travancore Government has made provision in this direction. We read in the Travancore budget for 1108 M. E.—"The absence of proper facilities for marketting the products of our cottage industries, has been a serious obstacle to their free development. To supply this desideratum it is proposed to open a sales depot in Trivandrum which will also function as an agency for the advertisement of our goods. There are similar such depots in Mysore, Hydrabad, Patna and Lahore and it is proposed to make arrangements for the exhibition and sale of our articles in those depots and their articles in ours. Such an arrangement will not only popularise our articles in foreign markets, but will also tend to the improvement of the designs of our articles by copying them wherever necessary. The sales depot will be an experimental one in the first instance and it is hoped that it will be of material help in the revival of our decaying cottage industries and the growth of new ones. Provision has been made etc." .....And then they have also got officers in foreign countries to give advice, as regards the commodities that are needed there, as regards the places where the indigenous articles of Travancore, both raw products and manufactured articles, could be sold at a profit. The establishment of a Department of trade, commerce and industry requires particular consideration.

President.—You have taken a long time. You may cut short your speech.

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Mr. C. A. Ouseph.—Sir, I congratulate the Member for Finance on the very masterly manner in which he has discharged the duty to which the Government has been pleased to call him. The budget, as the Member for Trichur has rightly remarked, differs, in its entirety, from the series of prosperity budgets to which this House has all along been treated. The new Finance Member has placed all the facts before the House and there is no gainsaying it that we are passing through a period of acute depression and, however optimistic we may be, to face it and face it to the credit of the State, to the credit of the House and to the good of the people is the task before this House. I will congratulate the Government also. I congratulate them at least now on having opened their eyes to the real position. In several sessions of this House and through committees, the non-official members of this House attempted to open the eyes of the Government to the real situation that was going to face them. But the Government of the day refused to heed to the warnings. We said a period of distress and difficulty was coming. We asked the Government to be prepared. But the Government said 'no, there is no necessity to be prepared. We are in days of prosperity'. I will just refer to a few paragraphs from the Report of the Finance Committee. We need not go to the days of Banerji (1083) as the Finance Member has done. The Report of the Finance Committee is very clear. If you see what order the Government of Mr. Narayana Ayyar was pleased to pass upon that report you will see that the Government refused to heed to the advice of that body. I shall first refer to the prospect printed at page 3 of the report. "We have given the above short retrospect as we have in immediate prospect—period of financial stress—similar in its incidents and its antecedents to the decade mentioned above". I am glad to note that the present Finance Member has drawn largely from this report and from Mr. A. R. Banerji's Government Order of 1083.— "The Government have now committed themselves to a capital expenditure of not less than 90 lakhs of rupees within the next few years on the conversion of the State Railway into a Broad gauge line and the reclamation at Venduruthy in connection with the Harbour Improvement Scheme. We have already incurred an expenditure of nearly 7 lakhs of rupees on the matter, and a sum of, say, 8 lakhs can be made available for this purpose from the State Balance. The remaining 75 lakhs can be raised only by means of a debenture loan". This loan should have been raised long long ago when we were in prosperity, when our debenture loans would have gained credit in the market.— "The payment of interest on this loan as the provision of a Sinking Fund for its payment will no doubt strain the finances of the State for some years to come; but it seems to us that there need be no room for anxiety if the situation is handled with care and circumspection". They, care and circumspection, were just the two things that the previous Government was wanting in. And then continuing, the Committee says, "We shall..... content ourselves

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here with recalling the advice contained in the Government Order above referred to that the State is entering on an era during which *its finances* will require careful tending and that therefore every endeavour shall be made to regulate expenditure on sound principles." Though for these reasons it had become necessary to tap new sources of revenue, the Government did not want to act upon the suggestion of the Committee. Why, to say the least, none of the recommendations of the Committee either in the matter of revision of salaries or reductions in salaries or in any other thing, the Government was pleased to accept. They appointed their own officer to sit in judgment over the Committee. They appointed a very ill-suited officer to go through the recommendations and passed their own undigested orders. The Government have now been faced to approach the House, rather suddenly, when faced by the greatest depression and a quite deficit budget. In passing orders on the recommendations of the Special Finance Committee, the Government says, in para 127, page 88:— "There does not appear to be any room for financial anxiety". This was in 1930. "A substantial and new source of revenue pointed out by the Finance Committee is a tax on non-agricultural income. Government do not consider that the need for the immediate imposition of such a tax has risen". Now Sir, it has become necessary to levy the very same tax as a war-measure, as an emergencey measure. If you had taken up the preliminary steps for levying this tax, when the Committee proposed that the tax may be levied, the imposition would have come with some grace. But then the Government that was in power did not want to make it appear that they were being guided by non-official opinion. Therefore it was that they said, none of the recommendations of the Committee are worth accepting. For these reasons, Sir, I congratulate the Government on having now at least opened their eyes and on accepting, as support of the new tax, the opinion of a non-official body. I thank them for having at least paid some importance to non-official opinion. Sir, in periods of stress, in periods of national calamity, it is a dictatorship that is wanted. The counsels of a very large body of men is ill-suited to and has very little place at the time of a national calamity. I myself would prefer a dictator to carry us through these periods of stress. We ventured to give advice from this side of the House during the last 7 years. Several pieces of advice of a most salutary nature were offered. They were taken as gratuitous pieces of advice and were never acted upon. Now, Sir, you are in need of money. You find it difficult to make both ends meet. Then when a dictatorship is needed, your Finance Member comes and asks for co-operation. Rightly, we ought to refuse it. Rightly, we

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ought to vote against the income-tax. But the non-officials know their business. In respect of the recognition of their duties the non-officials stand on a much better footing than the administrators that were in Cochin. Therefore Sir, we offer co-operation. We will co-operate with you and help you in tiding over the difficulties that are facing the Government now. I cannot agree with the Member for Trichur in taking a very optimistic view of the present state of affairs in Cochin. The prospects are gloomy indeed. We have only to consider how we can get over these difficulties. Under the existing circumstances and the circumstances we will have to face in the near future, no better budgetting than has been made by the Government is possible. I do not therefore mean to say anything on the allotment of amounts on the different heads. I shall rest content with offering a few remarks on the way in which the Government have been falling from time to time into pits, more of their own making, by not heeding to popular advice when offered and more by not inviting popular advice. Sir, you say that a large amount is necessary for the Government to spend in the near future, and without having resort to a loan you cannot get the money. Till the other day, we were being told that the Cochin Government has a large saving locked up in the Treasury. We were invited to consider prosperity budgets and we were told from time to time by the President that all this hoarding was for "the rainy day" when it comes. But when the rainy day came you turn round and say, 'help us, we have no money'. Now, Sir, how is it that you lost all the money? Where is that money? May I refer to a few of the schemes which the Government undertook and squandered public money upon? What about the Tanneries and what about the Potteries? What about the Leper Asylum? What about the Anappara College Scheme? Did the Government enter upon these schemes after having sought the advice of the non-officials? Ultimately, Government money is the people's money and certainly the people would care more for their money than any Diwan. I myself had occasion to write a letter to Sir T. Vijayaraghavacharya, the then Diwan, a few weeks before the Tanneries were opened in the State. I said the whole thing was a piece of humbug. I said that the prospectus that was issued was a copy of a similar prospectus of a Company in North India which had to be closed down after about half a dozen years of work. The advice was not welcome. And what happened? We all know. Government investigated several schemes—the Chalakkudi diversion scheme, the Pothundi scheme, the Tanikudam scheme, the Kole irrigation scheme, this scheme, that scheme and ever so many schemes. All the

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schemes are now rotting. What about the Poringalkuthu hydro-electric scheme? That was one of the schemes investigated into at the time of Diwan Sir J. W. Bhore along with the Tramway re-alignment scheme so as to carry it on to the Anamalais. What a lot of money was wasted on these schemes and these investigations? If all that money were available, what would have been the necessity for this loan? What I would therefore urge is, take people into your confidence, consider that there would be some sense in what the people say. Those that have been returned to this House from the constituencies do not come here simply for speech making. We know our business. When they say something they mean it.

Now, Sir, I am on this question of your taking us into your confidence. In that connection I shall directly refer to the question of the Harbour and the Railway. Your Government have tabooed those subjects. We cannot deal with them. I sent up a few questions without having the remotest reference to these heaven-born topics. I asked the Government whether there is a prospect of Cochin losing any of her territories in the near future. Out comes an order that that question is tabooed. I do not see how. Where is it then that you take us into your confidence? Should we not know that one of the best pieces of land in the State is not going to be lost for ever? If Mattancheri is going to be lost for ever Cochin loses one of her lungs. The Harbour and the Railway are the two lungs. If we lose Mattancheri, what is Cochin worth? Sir, would you not get support for your objection to the transfer of jurisdiction if you take us into your confidence? How is it that the agreement which cost us 6 lakhs of rupees now, the three-cornered agreement between the Governments of Travancore, Cochin and Madras was so lightly entered into? If you had taken us into your confidence, would not the people have told you that it is a foolish agreement? Was it not because that the Government did not take us into their confidence, that one of our Diwans agreed to that unwise agreement which stared you in your face when you were in Delhi to support a rather weak case for Cochin Government? Sir, take the people into your confidence. Do not think that the Harbour and Railway are heaven-born subjects not to be dealt with by persons who find the money for that. Again I say, remove all these restrictions from the Legislative Council Regulation. Give us some power for controlling the purse and you will see that such emergency measures to which you have now to resort will never have to be resorted to. There will be no necessity for such action.

I now come to the question of constitutional development as a direct result of what I have been dwelling upon. In other

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places, in British India, much less educated than Cochin, much more thinly populated than Cochin, they are thinking of the transfer of power to Provincial and Central Governments. We are thinking of supplementary questions and a Deputy President elected by the people. (*Hear, hear*). Our population is much more enlightened, our population is much more civilised, our population is much more educated and yet the power that we have got is to ask supplementary questions. That is not the power that we want. We want the power to control your actions. I do not mean Mr. Herbert in the Chair. I mean the Government of Cochin. As long as you are here we feel and are confident that things will be rightly done. But we do not know that there will be not repetitions of Diwanships like that which preceded you. Therefore it is that we ask for all these now. You are a well-intentioned Diwan. If you leave now some power in our hands, the mistakes committed by your predecessor will not be repeated. We have been trying long here for an Executive Council. You have now to depend on so many others, your Heads of Departments, especially. You have been notifying in the Gazette that you have no time to see visitors owing to pressure of work. We admit that. You are a very hard-worked man. The work of the Diwan of Cochin is not a light one.

What is the provision made by you for checking your Heads of Departments? You cannot have Heads of Departments for ever who are paragons of virtue. At some time or other incompetent men may become Heads of Departments. To control them, to keep them in the right path, it is absolutely necessary to have an Executive Council. Then you transfer some of your powers to that Council. Why don't you do it? You will stand to save much more than you will have to lose if expenditure were the real consideration. I myself had occasion ere this to refer to this matter of the Executive Council. I shall only read what I had to say about it in my separate note added to the report of the Special Finance Committee.

"The success of all Governments in the matter of administration depends to a very large extent, on the capacity of the officers with whom their services are manned. Whatever methods may be adopted in the recruitment to the services in order to maintain efficiency, it is impossible, under ordinary circumstances, to fill the services, for all time, with remarkably efficient men. Here and there, now and then, really inefficient men would get in and when, in the natural course of promotion, these men come to the top, administration suffers. A single officer like the Diwan, with multifarious duties of alarming proportions to attend to, cannot, in the nature of the things, be expected to see minutely through every detail of the administration so as to goad on, as and when occasion arises, officers who are in fact inefficient and badly stand in need of a spurring. An Executive Council will not only relieve the Diwan of many routine details of administration, leaving him free to attend to the more complex, more delicate and more important problems, but will also enable the Government to exercise a close

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and more effective control and supervision over their Heads of Departments."

We have all been pressing for that. What is the unreasonableness of our demand? Why is it that you can't give it to us? If there is any objection, tell us what it is. If not, give us an Executive Council so that we may have some real check over these Heads of Departments.

A word about the Legislative Council itself. We are elected only by two per cent of the population. Can we call it a representative House? More than once the Government itself has set at nought the wishes of this Council by saying that public opinion was against it. I remember that a resolution was once passed to convert the Hindu Hostel into a cosmopolitan one, and that your predecessor refused to accept it as, according to him, public opinion was against such a step. I fail to see how he ascertained public opinion if it was not through this House. There may have been justification for saying so because we are elected only by two per cent of the population. Why not extend the franchise? In Travancore the tax-qualification is Rs. 5. Here it is Rs. 10. This is a smaller State. Our percentage of education is higher. Why not reduce it to at least 2 rupees?

The prosperity of the people depends upon the way in which the several departments of Government are worked, in seeing that the money that you have allowed to them, the money that is voted by this House, is properly utilised. It is the duty of every departmental head and your duty also to see that there is no discontent among the people. There are certain departments in the State which were going on very smoothly. I do not particularise. Now there is very great discontent regarding the working of certain departments. Again I do not particularise. It is your duty to see why and how such discontent has come about in such a very short period. The Cochin State was regarded as a model State for at least a quarter of a century. All the departments were morking most efficiently. Let us not give room for others to remark that well-built engines are now left in the hands of ill-equipped tinkers. If you have an Executive Council they will see that the Heads of Departments work properly. You will not have to look into the many crevices and leakages in the working of the deficient departmental machinery.

My friend, the Hon'ble Member for Trichur, gave me a compliment, in regard to the interest I took in the matter of Forests in the 1st Council with regard to Forests and Tramway. I have absolutely no reason to change my attitude even now. If you go through the figures of 1106 you will see that while the expenditure under Forests was about 3 lakhs and 59 thousand rupees the income was only about 3 lakhs 6 thousand. That is—

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a very serious matter. You have spent much more under Forests than what you could get. What is that due to? You have brought down a lot of timber which cannot find a market and you had to sell it at much less than the cost you had actually incurred in getting it down. And this deficit in the face of nearly 25 thousand rupees is collected as quit rent. So that, Sir, to lose Rs. 53 thousand you had to bring down a lot of timber. To put it briefly you did not get any value for the timber. You have lost in the year 1106 on the whole 53 thousand rupees. What is the use of thus working the Forests? Why should you get down all the timber from the Forests if you are not able to sell them for a proper price? I have gone through the Administration Reports for several years, especially in regard to Forests. Every year they say 'no market', 'no market'. That is their standing complaint. If there is no market why should you work the Forests and denude them of the trees? Sir J. W. Bhore in one of his earliest administration reports has stated that Cochin has to spend about 8 lakhs to deprive the Forests of all valuable timber. Though the State in fact brought down all the valuable timber, when the accounts were adjusted there was a clean loss of 8 lakhs. Sir, there is absolutely no necessity for running the Tramway Department as it is run at present. It is not the fault of the Tramway Department. There is no sale for timber. Government have two agencies. They have got one private agency. This private agency brings down timber from the Forests and successfully compete with the Government. The present system of working the Forest is defective. You have to remodel it and make the work profitable to the Government. Otherwise the Government will not be justified in working that Department.

Dr. A. R. Menon. Sir, before I enter into any subject, I wish to express my congratulation to the Finance Minister who, after serving as the first lieutenant for a long time, has been elevated to this place most properly. Nature, a mother kind to all, while depriving my friend of a good portion of her blessings, seems to have endowed him with that brain which enables him to produce either a deficit budget or a prosperous budget. I do not personally wish to enter into all these figures. It gives me a lot of confusion and any of my remarks will not be of any use to any Members of this House. But unfortunately this is the only occasion when a Member can express his ideas in a general way upon the general aspects of the administration. Therefore leaving out the departments to the experts concerned and to the financial experts of this House who can deal with it much more profitably than I can hope to do, I shall only touch upon one or two subjects.

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The only reservation I can make is about the Tramway Department. It has come into hostile criticisms at the hands of the two previous speakers. It has been pointed out that the Tramway has been a thorough failure and the best way is to scrape away the Tramway. It is all very well to say that. It will be the duty of the Government to consider whether any improvement can be effected, whether they can adopt any measures or methods which would effect a higher revenue than we are realising to-day. Curiously I happened to meet a gentleman from the Anamalais, the very Anamalais representing the planting interests, and he has been telling me that if an extension of 10 miles is effected all the products of the Anamalis would go through Chalakkudi to the Cochin Port. Now these products are taken through Pollachi line to Calicut. A little difference in expenditure makes a lot of difference in commercial competitions. Therefore instead of having the foolish idea of destruction which seems to prompt some of my friends here, they should try to continue the work and see whether it could not be worked as a more paying proposition than it is to-day.

Again the question of waterfall and electricity, though it is not going to be taken up just now will be taken up on some future date when funds will permit. Then this Tram-line would be of greater use to the Government and it would be a folly on the part of the Government to scrape away the Tramway line on the representation of a few Members of this House. Now what is the charge? The income is about Rs. 89,000 and the expenditure is about Rs. 81,000. It is not a loss. There are a number of employees in the Tramway. You must also realise the number of people who would be thrown out of employment if it is stopped. It affords employment to many people. It is recommended to Government to deprive them of employment. Why should you scrape away an industry which gives employment to hundreds of people and from which Government does not incur any loss? Even if you incur a loss, considering the future—and the Government must always consider, the future—considering the future possibility of development, it will be your duty to keep the line. I therefore beg to differ from the views expressed by the two previous speakers.

I would like to say a few words about the income-tax business and the ten per cent cut. It is only just to show that you gentlemen are not the only persons who have got a grain of common sense. You think that God has not endowed us with a grain of common sense or brain. Now I have made certain calculations; although I am very weak in Mathematics, yet it will be

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very interesting and instructive. I have taken the case of the Chief Judge. He gets Rs. 1,000 a month and has to pay a rate of 1½ annas a rupee. It comes to 1,500 annas. You will find a difference of nearly Rs. 100 between the income-tax he has to pay and the cut. Whereas if you take a person of lower rank there is a difference of Rs. 500. I am not very anxious that your salary should be cut. But I am very anxious that you should not go out and say 'that our salary has been cut, that we have been very generous, etc., etc.' We do not want these salaries to be cut. I do not see any necessity for that in the light of the budget that is presented before the House. But you shall pay the income-tax. If you merge the income-tax in the cut we will be constrained to oppose the Income-tax Bill itself. We do not want you to take advantage of the cut without suffering the cut. I hope you understand. At the same time we are not anxious to cut your salaries. Relieve those persons who are drawing between Rs.40 and 80 from the cut. We are satisfied with the income-tax.

Now, Sir, I would like to say a few words about one or two topics more. As has been said here the very word "Railway' even when rightly said used to be objected to by a ruling from the Chair that "thou shall not touch it". Now the time has come just to touch the fringe, but not to enter into it, so that those with whom you are dealing with may know the popular feeling that is behind you. When you are dealing with opponents who are thousand times mightier than you, the only strength that you can rely upon is the strength that you can get from people unitedly standing beside you. When your cause is just and the public opinion is behind you, then you feel strong and your opponent feels like Samson without his locks. It is only these reasons that prompted us to say these things, that "come what may; the interests of the State must be presented in the proper form". If you are defeated, then nobody will find fault with you. If you do it with vehemence, persistence and enthusiasm which you are expected to show in a case of life and death to this State, if you are worth anything, then it is your duty to put up such a fight. There has been a similar case when Mr. Banerji, a great administrator, who has made Cochin what it is to-day by his exertion, by his activity, by his energy at a time like this when he was defeated by the Madras Government and the Imperial Government; he crossed across to the Secretary of the State himself and won his case. If smaller things took place some 25 or 30 years ago they can take place to-day and something tells me that justice pleaded even by a poor opponent will have its effect upon the stronger, because it is upon this basis of justice and fairplay that this mighty Empire

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stands. If you show them the justness of our cause, you are sure to win and this House expects you, who are responsible for the conduct of the administration, who are responsible for the proper representation of the State, to make the necessary representation with all the necessary enthusiasm, vehemence and energy that you command.

Now about the Executive Council. I am very anxious that this House should not misunderstand me when I am developing the point that is before you. Nothing is farther from my mind. I do not mean any offence to anybody. I perfectly agree that the best form of Government is a benevolent autocracy. The defect of the autocracy is that when the heart is good the brain is not brilliant and when the brain is brilliant the heart is not good. A combination of these two qualities in one is rarely possessed. But a combination of one or two with a good heart and a brilliant brain may help you to move on in the right direction. In all Governments, in all machinery of Government, there is what is called check and counter-check. It is essential. Once the counter-check is taken away, immediately the equilibrium of the Government is upset and the machinery topples down. Hence we must consider whether the check and the counter-check that keep the equilibrium of the State is properly maintained. That is the proof. That it is not properly maintained will be my attempt to show.

Now about my friend's Medical Department. I wish to contend myself by saying that there is a general discontent in this department. What the cause of this is will be discussed during the cut motions on the budget. The object of touching upon this department is to speak about the introduction of honorary system which has been boasted so much by my friend also when he was a Civil Surgeon. From the general views he expressed I find a tendency to change. He has almost changed his views. I invariably find that people change their views when they enter Government service. All that I want to say is either you do it properly or don't do it at all. Never will honorary and paid staff work together successfully. The honorary man thinks that the paid man is below him and the paid man thinks that the honorary man who is working for nothing is below him. And the Department takes care to see and to show to the Government that the honorary system is a failure. The system obtaining in the Royapettah Hospital is a model one and it is working out successfully. Don't leave alone the paid man any more. After six months if the paid men are not defeated by the honorary men we will refund the whole

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of the expenditure. Can you expect a better offer? Another thing is introduced in British India. The hospitals may be visited by honorary visitors as they are inspecting many other institutions. When I raised this question Dr. V. Verghese made this observation that "these are our institutions and you won't be allowed to come and examine them". Then I said that we were a kind of poachers invading into his private preserve. I want the Government to consider whether it will not be desirable to inspect the hospitals by honorary visitors.

Dr. A. G. Menon.—What about the Kuriarkutty incident?

Dr. A. R. Menon.—That is buried. Then the Chief Medical and Sanitary Officer was a law unto himself and the Chief Judge who became the Diwan asked me to take it for an answer "law or no law".

By this kind of inspection the Madras Government have lost nothing. On the other hand there are several advantages. I cannot for the life of me understand why these medical men or the Government should oppose any honorary visitors who go and see and report and write down what he considers to be necessary. (*Hear, hear*). I believe that is reform in the right direction. I do not wish to say anything more.

Mr. T. A. Ramachandra Ayyar.—Mr. President, Sir:—In my last year's budget speech I made the observation that in the new Diwan of high character and good intentions the Managing Directorship of the State was safe and the other Directors of the Board were only canvassing elections and that the advocacy of communal claims for appointments by the educated sections had become the order of the day in Cochin, and that a warning was also sounded that the Menu will be prepared to be swallowed by the Diwan on communal basis. I shall on this occasion not go into the details of the budget but shall refer only to the general financial and political situation of the country. When His Highness Sree Sir Rama Varma, G. C. I. E., the late lamented Maharaja left the mortal coil, the financial condition was really enviable. The treasury had surplus to the extent of a crore of rupees; the annual income of the State had risen from 47 lakhs to over to 90 lakhs; the pay of the services was very fairly revised; very nearly 16 lakhs were used to be spent on education, 18 lakhs on Public Works, 3 lakhs on Panchayats, 4 lakhs on Medical and Sanitation; allowances to the members of the Ruling Family were revised; energetic measures were taken for the improvement of the state of the poor depressed classes; a large outlay of public funds was made for the development of the Cochin Harbour; and expert investigations into the development of the Hydro-electric scheme at Poringalkuttu

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water falls were conducted; and also the monopoly on teak and such timbers were abolished during His Highness' regime despite the fact that His Highness' health had failed during the last few years of His Highness' administration. Now the hands of His Highness are off the reins and the situation is mainly in the hands of the experienced Diwan, to whom, as a constitutional ruler fresh to the administration, the whole burden has been entrusted by His Highness the present Maharaja. If anything untoward happens the responsibility will naturally rest on the shoulders of the Diwan and I am constrained to mention in this Council that the general inefficiency and demoralisation which had crept in has not been wiped out and the evils then rampant still remain though characters have changed. The surplus left behind by His Highness Sir Sree Rama Varma is to be diverted and loans are to be raised. Travancore has now become a partner to share the customs revenue, without contributing anything worth the name, of the Harbour works, thereby reducing the annual income of the State. Cuts in salaries are now ordered; original expenditure on Public Works under "Buildings" is mainly confined to the construction of the Ernakulam College and the Diwan's residence; the expenditure on Panchayats is reduced; the departments of Medical and Sanitation have been separated with an increase of expenditure; the expenses for the uplift of the poor depressed classes have been reduced; anchal rates have been increased; the profitable working of the Poringalkuttu Electric scheme has been abandoned; the communal rancour in the country among the educated section is on the increase. In addition to the wiping out of all the Government surplus, hands are now laid upon all other surpluses saved by the self-denying Royal House, by the Economic Devaswams and by the Valia Amma Thampuran Kovilakam and fresh taxation is proposed to be levied.

The present Diwan with all the experience of the noble service to which he belongs, has to lay the foundation for the building of a permanent institution for the eradication of the evils likely to occur if the situation is not properly handled and if things are allowed to drift history may repeat itself in this land as it did in the history of the Caliphate about the year 1000 A. D.

I cannot do better than read a few lines from an article on the "New World of Islam" by Khudha Buksh, M. A., B. C. L., Bar-at-law, University Professor of Islam in the Calcutta University, about the Caliphate. These are his words:—

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"The central authority weak and impotent was unable to exercise any effective control over his Governor. New Kingdoms were carved out of the Caliphate and new rulers were installed. The Caliph was reduced to a shadow, a mere phantom exercising no authority, a captive in his own Palace; a Caesar without any legions; a Pope without any power, save that of pronouncing a benediction upon the crowned-heads near and around him; the horizon thick with menacing clouds, troubles both at home and abroad, sects warring with sects, factions fighting with factions; new races admitted to the bosom of the Caliphate, astir with hope and ambition, adventurers snaching at the throne and sceptre—what a sad sombre spectacle the Caliphate offered about the year 1000 A. D.?" The historian then refers to the downward path Islam entered subsequent to this period. So far as Islam was concerned it was a sleep of death. Let us hope this will not repeat in Cochin.

The House rose for the day at 5 p. m.

C. J. MATHEW,

Secretary to the Council.

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